



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

February 3, 2003

MEMORANDUM

TO: Local and Intermediate School District Superintendents
and Public School Academy Directors

FROM: Sue C. Carnell, Director
Office of School Excellence

SUBJECT: FY 2003 Reduction in Michigan School Readiness Program Funding

Michigan is facing a budget shortfall for this fiscal year. The State School Aid Act, which funds the Michigan School Readiness Program (MSRP) grant to school districts, requires that the Governor institute a pro-ration of funds if budget revenues do not meet expenses. The Governor has notified the Legislature that an estimated 3.8 percent reduction is currently required unless the Legislature enacts an alternate plan by February 14. Categorical programs, including the MSRP, are included in this process. Therefore, funds for the MSRP State Aid Grant for FY 02-03 may be reduced by 3.8 percent resulting in the recovery of \$2,758,800 of the \$72,600,000 allocation. Programs need to be prepared for a possible immediate reduction.

We are recommending that any reduction not be in the form of a decrease in the per-child allowance of \$3,300. Approximately \$1,765,500 will be recovered from districts/PSAs reporting in the Narrative Summary for FY 01-02 that they did not serve all the children for whom they were funded. These funds will be recovered through the state school aid payment process, as we have done in previous years. Should reductions be necessary, we hope to recover the remaining funds (approximately \$1,000,000) through a **"pupil count day" prior to February 13, 2003**. Programs should pick the day on which the most children were enrolled. If we need to proceed with the reduction, the MSRP State Aid Grant would be reduced by recovering funds for the number of slots not filled on or before February 13, 2003. Additional "third round funding" or Enhanced Allocations" will not be offered for FY 02-03.

In the event that we are unable to recover enough funds through the pupil count day process, the shortfall would be applied to all participating districts and would be spread over the remaining months of the state school aid payment cycle. The March payment would be the first one affected. The state aid payment system allows us to make corrections through July.

Please be advised that this action is based upon the January revenue projections. Another projection will occur in May 2003, which could require further reductions. You may wish to alert your business office to the possible reduction in funding. If you have questions, please call Early Childhood and Parenting Programs at (517) 373-8483.

Enclosure

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324

Michigan Department of Education
Office of School Excellence
Early Childhood and Parenting Programs
P.O. Box 30008
Lansing, Michigan 48909

Michigan School Readiness Program – State Aid

Pupil Count Day Form

FAX this completed signed form to (517) 335-0592
on or before February 13, 2003

TYPE OR PRINT:

Name of District/Public School Academy	District Code	Contact Person
Address	County	Telephone (Area Code)
City	Zip Code	E-mail Address

The purpose of this report is to determine which districts have not been able to recruit and enroll the total number of children awarded so that funds might be recovered as part of an estimated 3.8 percent reduction to State Aid funding.

In the table below, **Current Allocation** indicates the number of children and amount of funding the district/PSA is currently receiving for FY 2002-2003. Please enter, in the column under **Pupil Count**, the largest number of **funded** children's spaces filled at any time this fiscal year on or before February 13, 2003. The numbers entered under Pupil Count must be equal to or less than the numbers under Current Allocation.

	Current Allocation (current funded amount)	Pupil Count*	MDE USE ONLY
Number of Children			
Amount of Funding			

** Programs should pick the day on which the most children were enrolled (not necessarily present).*

The signing of this form certifies the report of number of slots filled at any one time and may also serve as an acknowledgement that the school district/public school academy is no longer eligible for the funds designated for the remaining slots in the allocation.

SIGNATURE OF SUPERINTENDENT/PSA DIRECTOR

FAX this completed signed form to (517) 335-0592
on or before February 13 2003